

Analysis of the Strategic Planning Model

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Abstract

Strategic planning is important for several factors, especially because it makes it possible to anticipate events and responses to threats and opportunities imposed by the environment. These models define the stages of the strategic planning process, as well as different approaches for its application. The choice of a strategic planning model and its adequate implementation approach for a company will depend on factors such as size, diversity of operations, organizational structure, philosophy, management style, type of industry, among others. This paper describes and analyzes the strategic planning model adopted by an urban transportation company in the city of Tashkent.

Keywords: *Strategic Planning, Strategic Planning Models, Quantitative Analysis.*

INTRODUCTION

We know that it was only in 1903, with Taylor's Scientific Administration, that the first scientific study of management methods presented in the form of a theory emerged, even considering the existence of companies and their management in embryonic form since the beginning of time. At that time, organizational adaptation and changes in the external environment were not taken into account. Even because organizations were interpreted as closed systems. However, contemporary organizations, understood as open systems have to adapt to the changing conditions of the environment to continue to exist and succeed.

Modern organizations are facing dynamic environments, causing radical changes in the way they are managed. Therefore, today the changes in the political, economic, social, technological, cultural, demographic and ecological panoramas have inspired great transformations in the business strategies of organizations. To face such conjuncture, it makes urgent the need of companies to elaborate formal processes, however flexible, of strategic planning to better manage the administrative

process, generating results for the whole organization.

Joshi (1991) admits that change is a fundamental theme for human life, besides being an important factor for organizational life, and can occur at any time. In the current situation, the survival of organizations does not depend only on simple changes in the face of environmental pressures, but on their ability to anticipate events and responses to threats and opportunities that the environment imposes for them to grow and survive during change.

Radical times may require radical remedies, that is, in times of crisis the organization must change and adapt quickly. Robbins (1990) argues that organizations have to face a constant adjustment in response to environmental changes, since when turbulence, uncertainty and instability arrive, they come quickly and drastically, which means that without continuous adjustments the disaster is much bigger.

In this case, strategic planning is the most widely used and accepted tool by executives around the world for assessing the company's context and planning its future.

The formal strategic planning models have been adapted and improved over the years by researchers from Strategic Management, who, by inserting new variables and approaches, have adapted the planning models to the increasingly turbulent and unpredictable environments that present themselves to the business world. At the same time, they are continuously seeking to clarify the relationships between planning, its implementation and the results obtained.

Although each model has distinct characteristics, it can be observed that they all present four well-defined macro-stages: the strategic diagnosis, which includes a survey of information about the organization and the environment in which it is inserted; the elaboration of the mission, objectives, strategies and goals of the organization, aiming at establishing a desired future position; the implementation of the resulting strategic plan and the control of results.

In summary, the methodology of strategic planning is now widespread and used by companies to evaluate the variables that influence their internal and external environment to establish an action plan to achieve the desired future situation, having as objectives: identify opportunities and threats, strengths and weaknesses of the organization; obtain information about the market, industry, competitors, and the company itself; reduce the risks of poor choices; direct the business; analyze the macro-environment and set objectives and goals for the entire organization; prepare the company to face a crisis; identify relevant information and structure it for decision making; ensure the achievement of a desired future position through resource planning; position the company in a leading position concerning its main competitors; induce the development and implementation of differentiated strategies.

However, the choice of a strategic planning model and its appropriate implementation approach for a company will depend on factors such as size, diversity of operations, organizational structure, philosophy,

management style, type of industry, among others.

Therefore, companies must adopt the models to their realities and stages of development to increase their chances of success.

Research Problem

Therefore, the theoretical reference to operationalize this research is based on the description and analysis of models proposed in the bibliography on the process of strategic planning, serving as a basis for analysis in the study of the methodology used by an urban public transport company, formatted according to its culture, history, experiences in planning, expectations, personality and style of leaders, etc.

Given the research problem, the work has the following general and specific objectives.

General Objective

The general objective of this work is to

Describe and analyze the methodology adopted in the strategic planning process by an urban transportation company in Tashkent.

Specific Objectives:

In specific terms, it is expected:

- A. Situate the subject, presenting, initially, concepts of strategic planning;
- B. Present and analyze theoretical models of strategic planning researched in the bibliography;
- C. Describe the strategic planning model used by the company;
- D. Analyze the model used by the company to those presented by the authors by checking complementation and/or theoretical and practical differences;
- E. Check the results achieved by the company in question with the adoption of strategic planning.

THEORETICAL METHODOLOGY:

The objective of this topic is to discuss the fundamentals of the strategic planning process. To this end, it presents the following structure:

(1) first, there will be a broad discussion about organizations; (2) then, some strategic planning concepts will be presented, according to the authors selected for the analysis; (3) and finally, the strategic planning models will be explained and compared according to these authors, referring to the elements that compose each of the phases of the analyzed processes. An organization is an intentional combination of people and technology to achieve a certain goal. A company is an organization. It is also a division, department or section within a larger organization. People, money and materials make up the resources that come into the organization. Goods and services leave organizations. Between these entries and exits, resources are transformed to create surpluses. (In companies, these surpluses are usually called profits.

An organization's strategy will be influenced by the opportunities and threats of its external environment; the objectives, values and beliefs of its members (especially the management); and its strengths and weaknesses - personified by its members and derived from its history. This strategy, in turn, has three mutually compatible and reinforcing effects on an organization's structure:

1. It determines the tasks of the organization, which are the ultimate basis of the organization's project.
2. Influences the choice of technology and appropriate personnel to perform these tasks - and these influence the appropriate structure.
3. It determines the specific environment in which the organization will operate; it also influences the structure.

The key to a successful organizational structure is its "fit", or compatibility, not only with the strategy and external environment but also with the internal environment of the company. Each of these components, in turn, has to be in harmony with each other and with the structure.

According to the analysis of Conner (1992), today's organizations are inserted in an extremely dynamic and turbulent environment, which increasingly requires great agility for

adaptation. Never before have major changes occurred so quickly and with implications all over the world.

In the work environment, organizations are being confronted with changes: more advanced technologies, electronic communication (changing the way people think, talk and learn), mergers, acquisitions, new policies and procedures, reorganizations, changing responsibilities. As a result, more and more organizations will be under pressure to reduce costs, improve the quality of products and services, increase productivity and innovate.

In this context, the organization's ability to promote planned change to adapt to new realities is essential for the creation and maintenance of competitive advantage.

For Stoner & Freeman (1995) planning means that managers think ahead of their goals and actions and that their actions are based on some method, plan or logic, not on the guess.

Oliveira (2001) warns that planning should not be confused with forecasting, projection, prediction, problem-solving or plans because they are different things.

Some planning characteristics (Oliveira, 2001) are listed below: It concerns the future implications of present decisions;

The planning process is much more important than your end product;

Intellectual occupation with the future;

Evaluation of alternative actions about future states;

Choice of alternative actions.

One can also enumerate as a characteristic its (1) comprehensive character since its purpose is to study and analyze all aspects of the organization and not only part of it or a certain sector; (2) it is temporal since it has a previously defined space of time, otherwise, it makes no sense. This is called the strategic horizon, that is, the period in which the planning will be carried out.

In summary, the strategic planning methodology is now widespread and used by companies to evaluate the variables that influence their internal and external environment to establish an action plan to achieve the desired future situation, having several objectives, among them:

- Increase the competitiveness of the organization;
- Create and maintain the company's competitiveness potential;
- Decrease the risk of making a wrong decision;
- Think about the future to predict the future;
- Integrate isolated decisions into a plan;
- Strengthen the organization's strengths and eliminate its weaknesses;
- Decrease the influence of competitors in the market.

According to the same author, few management tools are so closely linked to the various problems faced by companies over the last twenty years.

According to Kotler (1993), strategic planning can be assumed as an analytical means of studying the environmental conditions in which the organization is inserted, influencing the environment and being influenced by the environment directly and indirectly.

In this scenario, economic, social, political and cultural conditions are present, as well as the competitive arena formed by competitors, customers and suppliers, and the company's internal capabilities. In this environment the organization verifies the favourable conditions to grow, according to its carefully designed plan, fighting the weak points and deviating from the strengths of its opponents (competitors), through the potentiation of its strengths and improvement of its weak points, constituting exploitation of opportunities and strengthening of the flanks through the construction of barriers to threats.

According to the Identification of the Expectations of the Shareholders, Directors and Elements of the Company's Senior Management, there is guidance for the development of the company's Strategic Planning process. Based on the environment, opportunities and threats are identified; based on the company, strengths, weaknesses and neutrals are identified and analyzed; competitors are also analyzed. The author proposes the following definitions of Environment, Opportunities, Threats, Strengths, Weaknesses and Neutral (Table-1):

Table-1. Definitions of strategic planning

<i>Environment</i> - It is the set of all factors that, within a specific limit, can be conceived as having some influence on the operation of the system considered.
<i>Opportunities</i> - These are environmental forces uncontrollable by the company that can favour its strategic action, provided that they are recognized and satisfactorily used while they last.
<i>Threats</i> - These are environmental forces uncontrollable by the company that create obstacles to its strategic action, but which may or may not be avoided, as long as they are recognized in good time.
<i>Strengths</i> - These are structural advantages controllable by the company that favour it in the face of opportunities and threats from the environment.
<i>Weaknesses</i> - These are structural disadvantages controllable by the company, which disadvantage it in the face of opportunities and threats from the environment.
<i>Neutral Points</i> - These are variables identified by the company, but at the moment there are no criteria and evaluation parameters for their classification as strong or weak <i>points</i> .

The mission phase of the company refers to the establishment of the of the company as well as its strategic positioning. This phase is subdivided into five stages: (A) *Establishment of the Mission of the company*; (B) *Establishment of the current and potential purposes of the*

company; (C) Structuring and discussion of Scenarios; (D) Establishment of the Strategic Position; Establishment of the company's macro strategies and macropolicies.

The author proposes the following definitions:

Table-2 Quantitative instruments

<i>Objective</i> - It is the target or situation you want to achieve. Here you determine where the company should direct its efforts.
<i>Challenge</i> - It is an achievement that must be continuously pursued, perfectly quantifiable and with a set deadline that requires extra effort and represents the modification of a situation, as well as helping to achieve the desirable situation.
<i>Target</i> - It is the step by step perfectly quantified and with time and responsibility defined to achieve the challenges and objectives of the company.
<i>Strategy</i> - It is the most appropriate action or path to be taken to achieve the company's goals and challenges.
<i>Policy</i> - It is the definition of the levels of delegation, ranges of values and/or quantities limits and scope of actions to achieve the goals, challenges and objectives of the company. The Policy provides parameters or guidelines for decision making. It corresponds to the entire basis of support of the EP.
<i>Project</i> - It is the work to be executed with execution responsibility, expected results with quantification of benefits and time for pre-established execution, considering the human, financial, material and equipment resources, as well as the areas involved necessary for its development.
<i>Program</i> - It is the set of homogeneous projects in terms of its main objective.
<i>Action Plan</i> - This is the set of common parts of the various projects on the subject being addressed.

On the other hand, the Quantitative Instruments consist of the economic-financial projections of the budget planning, duly associated with the organizational structure of the company, necessary for the development of action plans, programs, projects and activities foreseen. At this stage, it is necessary to analyze what are the necessary resources and what are the expectations of a return to achieve the objectives, challenges and goals of the company.

CONCLUSIONS AND RECOMMENDATIONS:

The main objective of this work was to study, through description and analysis, the model used in the strategic planning process of

an urban public transportation company in Tashkent.

To this end, we sought to present and describe concepts and theoretical models of strategic planning - from a wider range of options were selected the models of Oliveira (1997) and Stoner (1985) - in order to verify complements and / or theoretical and practical differences, and verification of the results achieved by the company with the adoption of strategic planning.

In their practical study, similarities were verified in their correlation to the models proposed by Oliveira and Stoner, but one can also suggest complementation evidenced by the lack of some steps formally defined in the process used.

In this sense, the main finding in the analysis of the model used by the company is the corroboration in the use of phases also proposed by Oliveira and Stoner, such as:

Definition of Business Philosophy.
Environmental Analysis. Visual Diagnosis:

These phases used in the practical model of the company correspond to the phases:

- Goal Setting, Environmental Analysis, Resource Analysis, Opportunities and Threats Analysis (Stoner);
- Identification of expectations of representative people, External Analysis and Internal Analysis, Company Mission (Oliveira).

Operationalization of strategies:

The operationalization of strategies, in the model used by the company, correlates to the phases:

- Establishing the current and potential purposes of the company, structuring and discussing scenarios, establishing the strategic posture, establishing the macro-strategies and macropolicies of the company, the

establishment of objectives, challenges and goals of the company, the establishment of functional strategies and policies, establishment of projects and action plans of the company (Oliveira);

- Gap analysis, and strategic decision (Stoner).

Otherwise, one notices the lack, in the model used by the company, of two important phases cited by Oliveira: one that emphasizes the evaluation instruments and another that is concerned with the quantitative instruments.

The phase of evaluation instruments revolves around actions and results that should be constant. In other words, it must be emphasized that the process must be critical by its nature, verifying, in periodic or critical stages, the effectiveness of the strategies, goals, objectives and reassessing the process (Table-3).

However, according to documentary research and interviews, it can be seen that the company carries out, in different periodicities, analyses, both of its planning process as a whole and each of its stages:

Table-3. Stages of the planning process

PERIODICITY	TYPE OF ANALYSIS	WHAT IS ASSESSED	WHO PARTICIPATES
Annual	Review	Strategic Planning	Management, Management, Quality Committee and Guests.
Semiannual	Critical Analysis	Targets and strategies established.	Management, Management, Quality Committee and Guests.
Quarterly	Follow-up Comparison	Short, medium and long term stocks. Amounts spent in relation to forecasts.	Quality Committee.
Monthly	Follow-up	Operational plans	Managements
Daily	Non-Compliance Report	Adverse situations occurring during the working day (procedures false)	Staff

It was verified that, after the Critical Analysis is performed, a report is issued in which the resulting information is analyzed by the Committee, to review the company's capabilities and identify future opportunities in all areas and sectors. Then, after the analysis, the actions to be taken when targets are not met, or when opportunities for improvement are diagnosed, are determined.

This opportunity also considers comparative information obtained through annual surveys of the city's transport system, as well as information from the Ministry of Transport, Uzbekistan is used and analyzed during the annual planning review.

The quantitative instruments phase, another perceived lack in the formal strategic planning model used by the company, consists of projecting economic-financial resources through budget planning so that the action plans, programs, projects and activities of strategic planning can be effectively developed, and then they need to be analyzed according to the expectations of return that should be achieved.

Although it has been verified in the document research that in all action plans there is an amount allocated for their execution, which is defined by the board and management as necessary, the formal model of strategic planning of the company does not mention this phase of planning of budgetary resources for the operationalization of strategies.

The model proposed by Stoner still complements the model proposed by Oliveira - and also the model used by the company, suggesting a phase called strategy execution, that is, where the strategy becomes part of the daily operations of the organization.

Thus, it is concluded that the company is using a strategic planning model correlated to the researched authors and has been using an appropriate model, but should include the proposed phases in the literature that are being applied, even though they have not been incorporated into the formal model.

Therefore, it is recommended to review it, with the increase of important phases cited by the authors, which are:

- Quantitative instruments;
- Implementation of the strategy;
- Measuring and monitoring progress.

As Stoner (1985) states, no method of establishing the strategy should be considered the best for all organisations and in all situations. In fact, the same organization may benefit by following different guidelines at certain stages of its evolution or in a certain problem.

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